2 March 1954

INTELLIGENCE ADVISORY COMMITTEE

NSC Semi-Annual Supplementary Status Report on the Foreign Intelligence Program

- 1. Attached is a copy of subject report as reproduced by the National Security Council Secretariat.
- 2. This report is based on IAC-D-55/6 (Second Revision), 10 February 1954, as modified by the IAC at its meeting on 16 February (See IAC M 141, paras. 2 and 3).

Secretary	

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February 19, 1954

Part 8 - THE FOREIGN INTELLIGENCE PROGRAM
(Prepared by the Central Intelligence Agency and concurred in by the Intelligence Advisory Committee)

(This report states the most significant changes which occurred during the period June 30 - December 31, 1953; it supplements the full report on the status of the program on June 30, 1953, issued as No. 9, NSC 161.)

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I. OBJECTIVES

1. National Security Act of 1947, as Amended

For the purpose of coordinating the intelligence activities of the several Governmental departments and agencies in the interest of national security, it shall be the duty of the Agency, under the direction of the National Security Council--

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- (1) to advise the National Security Council in matters concerning such intelligence activities of the Government departments and agencies as relate to the national security;
- (2) to make recommendations to the National Security Council for the coordination of such intelligence activities of the departments and agencies of the Government as relate to the national security;
- (3) to correlate and evaluate intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the Government using where appropriate existing agencies and facilities: Provided, That the Agency shall have no police, subpoena, law-enforcement powers, or internal-security functions: Provided further, That the departments and other agencies of the Government shall continue to collect, evaluate, correlate, and disseminate departmental intelligence: And provided further, That the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure;
- (4) to perform, for the benefit of the existing intelligence agencies, such additional services of common concern as the National Security Cuuncil determines can be more efficiently accomplished centrally;
- (5) to perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct.

2. NSC 162/2, paragraph 10:

Develop and maintain an intelligence system capable of:

- (1) collecting and analyzing indications of hostile intentions that would give maximum prior warning of possible aggression or subversion in any area of the world;
- (2) accurately evaluating the capabilities of foreign countries, friendly and neutral as well as enemy, to undertake military, political, economic, and subversive courses of action affecting U. S. security;
- (3) forecasting potential foreign developments having a bearing on U. S. national security.

II. COORDINATION

- l. When the IAC agencies concurred in the last report (issued as No. 9, NSC 161), they pointed out that the effects of budget cuts then recently imposed on intelligence activities could not be assessed at that time. Since then, the agencies have experienced the effects of budget reductions and have been endeavoring to meet the situation by shifting assets or curtailing activities considered to be least urgent from the viewpoint of immediate requirements. The effect of this curtailment has not been completely apparent during the period under review. The most serious effects of budget cuts have been felt in the collection activities of the Foreign Service and even these are being met, at least partially, by alternative activities.
- 2. Collectively, the agencies, at the request of the Bureau of the Budget, have developed a suggested listing of categories of intelligence activities as an aid to the Bureau in its proposed budgetary analysis of intelligence programs. This analysis should, among other results, aid the agencies in their continuing appraisal of the costs of the foreign intelligence program.
- 3. Two Director of Central Intelligence Directives were issued, and one revised, with the concurrence of the IAC, during this period. DCID 7/1 establishes procedures for insuring that all non-governmental individuals offering foreign intelligence information are referred to CIA for exploitation in accordance with NSCID-7. DCID 3/5 refines procedures for the production of national intelligence estimates.

III. NATIONAL ESTIMATES

1. During the period of this report, the IAC approved 19 national intelligence estimates. These estimates have been increasingly responsive to the requirements of the NSC Planning Board. For example, in large part as a result of the needs of the Planning Board for intelligence support in the formulation of policy, 6 national estimates were produced dealing with the Soviet Bloc. In addition, the NSC concern with the emergency situations in Korea and Indochina resulted in the production of one estimate on the former area and 3 on the latter.

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- 2. The IAC undertook 2 pioneer-type estimates during the period of this report. The first was a general estimate of the world situation over a 2-year period. This was published in the third quarter of 1953. The second estimate deals with the implications of increasing Soviet nuclear weapon capabilities on the policies of selected non-Communist courntries. This estimate is scheduled for publication in the first quarter of 1954. Both of these estimates are designed to provide intelligence support for NSC broad, long-range planning.
- 3. Another current effort is designed to relate more directly the work of collection and research activities to the needs of the policy makers for national intelligence. At the direction of the IAC, the Board of National Estimates is preparing recommendations for revising directives on national intelligence objectives.

IV. POLITICAL, SOCIAL AND CULTURAL INTELLIGENCE

The quality of analysis by the staffs producing political, sociological and cultural intelligence has been fully maintained and even improved. In part, the pressure of demands on reduced staffs has been met by a stepping-up of the long-term trend toward the merging of economic, political, and sociological analysis in dealing with individual intelligence problems.

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